



Property Casualty Insurers
Association of America
Shaping the Future of American Insurance
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STATEMENT

PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA (PCI)

H.B. No. 6233 – AN ACT REQUIRING NOTICE TO AN INSURED FOR REPAIR OR REMEDiation FOLLOWING A COVERED LOSS UNDER A PERSONAL OR COMMERCIAL RISK POLICY.

COMMITTEE ON INSURANCE AND REAL ESTATE

February 1, 2011

The Property Casualty Insurers Association of America (PCI) appreciates the opportunity to comment on H.B. 6233, which would require a notice to be included on the policy declarations page regarding the policyholder's ability to choose the entity performing repairs or remediation following a loss. Our comments are provided on behalf of the member companies of PCI, a national property casualty trade association with over 1,000 member companies. PCI member companies provide 41 percent of Connecticut's property casualty coverage.

While PCI does not have concerns relative to section one of H.B. 6233, we do have concerns with the notice requirement contained in section two of the bill. It is not the substance of the notice which would be required pursuant to section two of the bill that PCI is concerned about - we agree that policyholders need to be able to choose the entity performing repairs or remediation following a loss. We have concerns, however, with the manner in which this notice must be provided pursuant to this bill.

This bill would require that this notice be included on the declaration page of a policy. We would submit that this would not be a very effective means by which to inform policyholders of their right to choose their own contractor because policyholders will not likely recall a notice on the declarations page at the time of the loss. In addition, the declarations page is already crowded with information which will likely result in this notice getting lost in the numbers.

There are significant costs associated with this notice requirement. Insurers will have to reprogram their computerized systems to include this notice and also incur additional printing costs. These costs will ultimately be passed along to the policyholder. Given that this notice will likely not be very effective due to its timing and placement, incurring these additional costs does not seem worthwhile.

For the foregoing reasons, PCI urges your Committee to not favorably advance HB 6233.